

FURTHER THOUGHTS ON STRATEGY

(A note by the Research Department)

1. At the meeting of the Steering Committee on the 30th January I was asked to draft a short note drawing together the main arguments from two strategy papers discussed at that meeting ("Implementing our Strategy", LSC (78) 62 and "Stepping Stones", LSC (78) 61, both annexed) and from a further paper on "Themes", drafted by a group under Mr. Maude (this is also annexed), and to suggest the main lines of the strategy which we might follow over the coming months.

Progress already made

2. Events have to some extent overtaken this exercise. A pre-budget campaign on tax, and another opposing the Labour Party's nationalisation of the construction industry, have been launched; a third on law and order is at present under discussion. The Leader has made major speeches on agriculture, tax and other subjects and her speech to the Local Government Conference, which set out a number of the arguments advanced in "Implementing our Strategy", has been widely circulated within the party. Above all, immigration has become a major point of controversy between the main parties and is likely to remain at the centre of debate for some months and probably until Polling Day.

The political weighting of economic and non-economic issues

3. This raises an important question at the heart of our strategy. When the Leader and colleagues first began discussing these papers we were standing level (or worse) with the Government in the Opinion Polls. There was a surprising amount of euphoria about the country's economic prospects and Labour and Mr. Callaghan seemed in calm control of events. The proportion of the electorate believing Labour would win the next election had increased sharply, with opinion formers in the van. But within the last few weeks, despite the much publicised attainment of single figure inflation, some of the euphoria has evaporated. What is more, the polls have moved heavily back in our direction, largely - in the opinion of Gallup and NOP - because of the Leader's remarks on immigration. We shall not know until the next series of polls, and until we have the results from the present crop of by-elections, whether this advantage is long-lived. Nevertheless, it adds force to the argument that we should concentrate our attack heavily on non-economic issues. The extent to which we can really afford to do this merits careful examination. In the NOP Poll which gave us an 11 per cent lead, there were some worrying indications that on the major economic issues, which taken together still have higher salience among voters than the non-economic ones, we were doing less well than we should. The following tables tell the story.

Table 1

<u>Gallup</u>		<u>NOP</u>	
(% of public saying particular issue is "extremely important")		(% of public saying particular issue is an "important problem faced by Britain today")	
Maintaining law and order	83	Prices/cost of living	72
Controlling inflation	76	Unemployment	71
Reducing unemployment	76	Strikes	64
Reducing taxation	55	Immigration	50
Improving labour relations	48	Education	29
Increasing pensions	43	Northern Ireland	27
Improving national unity	37	Housing	26
Improving race relations	33	Other problems (no details)	21
Building more homes for owner/occupiers	28	Devolution	8
		Don't know	2

Source: Gallup: 26th January, 1978

NOP: 13th February, 1978

Table 2

	People saying issue is extremely important and that something can be done about it	Party Advantage on dealing with issue	
			%
Maintaining law and order	72	CON	+ 14
Controlling inflation	62	LAB	+ 7
Reducing unemployment	58	CON	+ 4
Reducing taxation	50	CON	+ 8
Increasing pensions	40	LAB	+ 7
Improving labour relations	38	LAB	+ 9
Improving national unity	29	LAB	+ 1
Building more houses for owner/occupiers	26	CON	+ 12
Improving race relations	24	LAB	+ 3

Source: Gallup

These findings are in line with other market research evidence. I believe that it would be dangerous not to expend at least as much effort in trying to shift the figures in Table 2 more decisively in our direction as we devote to attempting to increase the salience of all the non-economic issues in Table 1. We have looked at the market research before the 1970 and 1974 elections. In both elections, the party that won had a substantial lead on all the main economic issues.

Our credibility as an alternative Government

4. There is another central strategic question which must be resolved. While it is crudely true that Governments lose elections and that Oppositions only win them as it were by default, an important ingredient in the success of Oppositions is to appear as a credible alternative Government (that this is not necessarily vital could be argued from the success of Labour in February 1974). There is undoubtedly a strong feeling at the moment, at least in the media and parts of industry and the City, that our credibility in this respect is a little threadbare. This is not necessarily an argument for new, detailed policies, but for expressing those we already have in a convincing tone of voice and in sufficient intellectual depth. We cannot afford to look as though all we have to offer are a few "flash, bang, wallop" headlines, or declarations of general philosophy. Two proposals which might play some part in dispelling this criticism are made near the end of this note.

Timing of the Election

5. We should also consider timing. This paper is written on the assumption of an autumn election. We would probably not be caught out by an earlier poll. For example, the Leader has requested colleagues to produce drafts of their sections of the Manifesto by early March. It may be wise to attempt to produce a draft Manifesto in April for discussion that month or in early May. This might be a useful exercise even if there is no June election. If the election looks as though it is likely to come later than the autumn, we may need to think again before the summer recess about the pacing of our attack.

Themes and subjects

6. It is not possible to distinguish precisely between themes and subjects; ideally the presentation of the latter carries forward the former. This note attempts to summarise the main positive and negative themes on which we should concentrate, and the principal subject areas where we should develop and set out our policies.

"Stepping Stones"

7. I have attempted to encompass the arguments set out in "Stepping Stones" within this paper, but have found the task impossible without distorting them. The problem arises from a difference in approach. The authors of "Stepping Stones" have described their political strategy in terms of painstakingly building a model of St. Paul's with matchsticks. I would use a different metaphor. A successful strategy is like an artillery bombardment with half a dozen properly targeted heavy guns. The conclusion I have therefore reached is that the best way of using "Stepping Stones", retaining the intellectual rigour, coherence and sophistication of the exercise, is by

seeing it as an up-market campaign directed towards heavy-weight speeches, articles and the follow-up to them, which should, if properly organised, help to move the argument on some of the fundamental political questions further in our direction. I have therefore dealt with "Stepping Stones" briefly at the end of the section on subject campaigns, recognising that it is much more than this and that, since there is already a fairly elaborate plan for carrying it through, it would not make much sense to try to re-design it.

Negative themes

8. (a) Stored grievance is a potent political factor. Labour's record is appalling. We have to revive memories of it. What has happened is their own fault. They cannot blame us, or world factors. They have virtually doubled prices, doubled public spending, and more than doubled the tax burden and unemployment. Labour's present "moderation" is just the pre-Election soft soap; their own policies promise a return to 1974 and then . . .
- (b) . . . on to 1984. A Labour Government with a majority would be a very different animal from one without a majority. Mr. Callaghan is a temporary, expendable frontman. Behind him is the Socialist reality - the Labour Programme. A vote for Callaghan is a vote for Benn - nationalisation ("Nationalisation is never off the agenda" - Mr. Callaghan, Hansard, 9th February, 1978, Col.1663), high taxation, big spending and "Big Brother". "They [the dominant Labour Left] want Britain out of Western Europe - they want us in Eastern Europe".
- (c) We are still living in an invalid economy. Nothing fundamental has been done to put us back on the road to recovery. Compare Britair with competitor countries.

Positive themes

- (a) The next election is a watershed election, deciding what sort of society Britain becomes in the last quarter of this century. We believe Britain can do better if people are given the chance by the Government to get on with their own lives and jobs, and if we restore some of the valued things they have lost - a sound currency, freedom from bureaucratic interference, lower taxes, sound educational standards, etc. Those are the sort of things that made it possible for us to grow and prosper in the 1950s.
- (b) So let's get back to commonsense - in taxation, public spending, social security, housing, immigration, education and the rest. We want people to have more choice, to own more; we will stop messing them about and bossing them about, preventing them from helping themselves and therefore the nation; we want to make it worthwhile to work, save, create wealth and pass it on, to look after one's own family. These are the things the people

actually want - not more nationalisation, higher taxes, more State interference. They are Conservative at heart. "Conservatives want the same Britain as you - vote Conservative - it makes sense".

- (c) Let's have something to be proud of again. Britain is too good for Socialism and her people deserve a better chance than to drift towards the East European state. Labour want to use the oil to grease the slide to 1984. We believe it gives us the breathing space to restore some of the values we have lost, some of the economic and social realities that Labour have tried to hide, "to put right what's left" and to retain our pride and our confidence as a nation.

Subjects

9. We have already decided to run a series of subject campaigns through the year, drawing together all the publicity and organisational resources available to the party. These campaigns should be related to the main themes.

- (a) A campaign has already been launched on tax, raising the height of the hurdles which Mr. Healey will have to clear in his budget (an exercise which we managed skilfully last year) and setting out our own proposals. Geoffrey Howe chairs the Central Office committee.
- (b) Discussions have begun under Mr. Whitelaw on a law and order campaign, which will aim to put our arguments in a balanced and sensible way.
- (c) Immigration will be the subject of a major statement by Mr. Whitelaw before Easter, and this will be followed by a Supply Day Debate. We will need to think hard about our defensive work on this subject, e.g. presentation to immigrant groups whose support we should not simply write off, exhuming Labour's hypocritical record, etc.
- (d) A housing campaign has been suggested for the period of the local government elections, and a campaign on nationalisation of the construction industry is already underway.
- (e) An education campaign - concentrating particularly on standards - has been proposed for the early summer.
- (f) The existing proposals for the "Stepping Stones" exercise could be followed through without interfering with any of our other plans. We should perhaps set as a minimum target a series of major speeches by the relevant colleagues (particularly Mr. Prior, Sir Geoffrey Howe and Sir Keith Joseph) and by the Leader where appropriate.

Miscellaneous proposals

- 10.(a) We are already considering how we can make better use of Parliamentary opportunities to develop our themes and subjects (e.g. Supply Days on tax, law and order and immigration). What more can we do? Could we, for instance, get some of our backbenchers to find a means of dealing with Labour's Programme point by point through Ten Minute Rule Bills (e.g. no abolition of the House of Lords without a referendum, no nationalisation of any industry - they could be taken one at a time - without a poll of the employees, etc.)
- (b) A number of publications are in, or approaching, the pipeline. The Campaign Guide Supplement should be published just before the Budget, and a further edition of "Words for Eating" soon after it. A draft of a simple economic pamphlet, itemising our policies, has been prepared; a document like this should probably be produced after the Budget. The Committee might want to look at the draft after Easter. Sir Keith Joseph and Mr. Maude are discussing with the Home Affairs Shadows whether we should publish a document similar to "The Right Approach to the Economy" on home affairs policy. It might be useful to have this up our sleeves for later in the year. We will publish in the early summer a pamphlet comparing the Labour Programme with the policies of various Communist Parties, and we are looking at the possibility of producing a spoof Labour manifesto translating, among other things, what Labour's manifesto will say into what it will really mean. It has been suggested that CPC might publish a pamphlet containing say three or four essays by Labour defectors on why they left the Labour and Liberal Parties (possible contributors include Paul Johnson, Reg Prentice, Professor Hugh Thomas and Max Beloff).
- (c) A number of seminars have been mooted. Mr. King is discussing a seminar on coal with Central Office. Seminars on unemployment and the use of North Sea Oil revenues have also been proposed. Should we aim to organise the last two a week apart in September after the TUC Conference, or would this be too late?

Credibility

- 11.(a) We might aim at a heavy-weight speech on his or her subject by each of the Shadows, whose subjects are not proposed for coverage in a campaign, at two or three week intervals through the summer. We would not usually be looking for new policy, but for existing commitments pulled together in a suitably thoughtful way.
- (b) I hope we can consider the possibility of producing during the election campaign our own "White Paper" on the real state of the economy and on the economic background to our proposals. The sort of model I have in mind is Adam Ridley's paper two years ago on public spending. It should be perfectly possible to draft such a paper before the campaign, and

because it would be largely an analytical document it would not saddle us with any new commitments. If such a document was produced and presented "con brio" at the end of the penultimate week of the campaign, it would grab the initiative at what is always a difficult time.

Monitoring Progress

12. When the bones of a strategy are agreed, would there not be a case for regular brief discussions at Shadow Cabinet meetings on the progress made in implementing it?

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